

**IN THE CIRCUIT COURT OF THE
SEVENTEENTH JUDICIAL CIRCUIT,
IN BROWARD COUNTY, FLORIDA**

**OFFICE OF THE ATTORNEY GENERAL,
STATE OF FLORIDA,
DEPARTMENT OF LEGAL AFFAIRS,**

PLAINTIFF,

v.

CASE NO.:

**COMMUNITY CHARITY ADVANCEMENT,
INC.**, a Florida Corporation, doing business as:
Breast Cancer Research and Support Fund, U.S.
Volunteer Firefighters Association, United States
Firefighter Association, United States Firefighters
Association, and US Volunteer Firefighters
Association, **FRANCIS FERRER**, an individual,
LINDSEY NOVINICH, an individual, **CAROLE
REICH**, an individual, **BRUCE RINNEY**, an
individual, **KERRY SHARON**, an individual, and
JOHN THOMAS, an individual,

DEFENDANTS.

COMPLAINT

Plaintiff, OFFICE OF THE ATTORNEY GENERAL, STATE OF FLORIDA,
DEPARTMENT OF LEGAL AFFAIRS (“**PLAINTIFF**” or the “**ATTORNEY GENERAL**”),
hereby sues COMMUNITY CHARITY ADVANCEMENT, INC. (“**CCAI**”); FRANCIS
FERRER, LINDSEY NOVINICH, CAROLE REICH, BRUCE RINEY, KERRY SHARON, and
JOHN THOMAS (collectively, “**INDIVIDUAL DEFENDANTS**”), and alleges as follows:

1. The **ATTORNEY GENERAL** brings this action pursuant to the Florida
Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (“**FDUTPA**”), to
obtain temporary and permanent equitable relief including, injunctions, restitution,
disgorgement, appointment of a receiver, dissolution of an enterprise; as well as, civil penalties,
attorney’s fees and costs, and any additional statutory, legal or equitable relief this Honorable
Court deems proper.

INTRODUCTION

2. CCAI, a charity registered in Florida, misrepresents the nature, purpose, and scope of its purported charitable activities to induce donors to make charitable contributions.

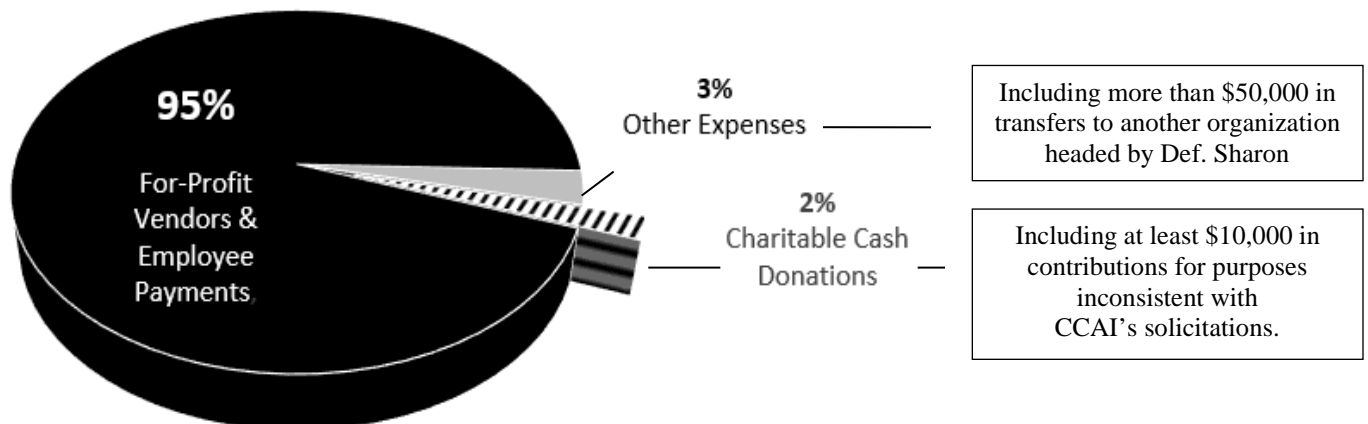
3. CCAI is a charitable organization that falsely represents that it operates projects, grants, and a trust fund dedicated to, *inter alia*, funding entities that engage in breast cancer research or support, as well as the victims of fires, or firefighters.

4. Contrary to the express and implied claims in CCAI's solicitations and other representations to the public, the *de minimis* amount of donors' generous contributions CCAI donates for charitable purposes is not always used for CCAI operated projects, grants, or a trust fund.

5. In some instances, CCAI does not donate funds consistent with its solicitations. For example, in some years CCAI did not make any cash donations to organizations that assist the families of firefighters who passed away, contrary to CCAI's representations that contributions would be used to provide financial support for such purposes.

6. Moreover, the *de minimis* actual cash funds CCAI donates to charitable activities, which have been approximately half of one penny (\$0.005) to two cents (\$0.02) of each dollar of total contributions during 2013-2016 ("relevant period"), are, in some instances, diverted for purposes quite different from the purposes for which CCAI represented it would use donors' generous contributions.

Community Charity Advancement, Inc.



2013-2016 Cash Expenditures as a Percentage of Cash Contributions

7. **CCAI's** board members, the **INDIVIDUAL DEFENDANTS**, have failed to responsibly oversee **CCAI's** operations. Instead, the **INDIVIDUAL DEFENDANTS** have, *inter alia*, failed to exercise ordinary care in their control of **CCAI's** activities; in many instances, they have simply rubber-stamped vendors' acts and practices, which inured significant financial benefit to these vendors; and have permitted, approved of and/or participated in **CCAI's** practice of providing donations for purposes inconsistent with **CCAI's** representations to the public, as well as the other deceptive practices alleged herein, which are not in the best interest of the charity.

JURISDICTION, VENUE, AND APPLICABLE LAW

8. This action is brought for and on behalf of the State of Florida, by the Attorney General pursuant to the provisions of FDUTPA and the Florida Solicitation of Contributions Act, Sections 496.401- .424, Florida Statutes.

9. The **ATTORNEY GENERAL** conducted an investigation and determined that an enforcement action serves the public interest, as required by Section 501.207(2), Florida Statutes.

10. This Court has subject-matter and personal jurisdiction pursuant to the provisions of Section 26.012, Florida Statutes.

11. Venue for this action properly lies in the Seventeenth Judicial Circuit pursuant to the provisions of Sections 47.011, 47.021, and 47.051, Florida Statutes.

12. The actions at issue herein accrued in Broward County, Florida, as well as other counties within the State of Florida and across the country.

13. At all material times, Defendant **CCAI** constituted a "charitable organization" as defined within Section 496.404(1), Florida Statutes.

14. At all material times, Defendant **CCAI** engaged in the solicitation of funds from consumers. Pursuant to Section 496.404(2), Florida Statutes, “solicitation” means a “request, directly or indirectly, for money, property, financial assistance, or any other thing of value on the plea or representation that such money, property, financial assistance, or other thing of value or a portion of it will be used for a charitable . . . purpose or will benefit a charitable organization. . .” In accordance with this section, a solicitation occurs regardless of whether the person making the solicitation receives any contribution.

15. At all material times, Defendant **CCAI** received contributions from consumers. Pursuant to 496.404(5), Florida Statutes, “contribution” means “the promise, pledge, or grant of any money or property, financial assistance, or any other thing of value in response to a solicitation.”

16. At all material times, Defendant **CCAI** engaged in trade or commerce as that term is defined by Section 501.203(8), Florida Statutes.

17. At all material times, Defendant **CCAI** directly and indirectly advertised, solicited, provided, offered, and/or distributed, their goods and services to consumers in the State of Florida and across the country.

18. Accordingly, Defendant **CCAI** is subject to the provisions of the Florida Solicitation of Contributions Act and FDUTPA.

19. As set forth in greater detail herein, the **INDIVIDUAL DEFENDANTS** controlled and/or had the authority to control **CCAI’s** operations; and/or directly participated in **CCAI’s** acts and practices.

20. **CCAI** and the **INDIVIDUAL DEFENDANTS'** (collectively, **THE DEFENDANTS**) actions material to this Complaint occurred within four (4) years of the filing of this action.

THE PLAINTIFF

21. The **ATTORNEY GENERAL** is an enforcing authority of FDUTPA pursuant to Section 501.203(2), Florida Statutes, and is authorized to pursue this action to temporarily and permanently enjoin violations of FDUTPA, as well as to obtain legal, equitable or other appropriate relief, including, *inter alia*, appointment of a receiver, restitution, disgorgement of ill-gotten gains, and other relief as may be provided pursuant to Section 501.207, Florida Statutes.

22. The **ATTORNEY GENERAL** is also authorized to seek civil penalties and attorney's fees and cost pursuant to Sections 501.2075, 501.2077, 501.2105, Florida Statutes.

THE DEFENDANTS

23. Defendant **CCAI** is a Florida charitable corporation that has registered the following fictitious names: Breast Cancer Research and Support Fund, U.S. Volunteer Firefighters Association, United States Firefighter Association, United States Firefighters Association, and US Volunteer Firefighters Association.

24. **CCAI's** principal place of business is located in Pompano Beach, Broward County, Florida.

25. Defendant **CCAI** uses the following websites in connection with its operation: www.bcrsf.org, www.usfirefightersassociation.com, and www.communitycharityadvancement.org.

26. Defendant FRANCIS FERRER (“**FERRER**”), is an adult male over the age of twenty-one and is *sui juris*. Upon information and belief, Defendant **FERRER** is not in the military service and currently resides in Pompano Beach, Broward County, Florida.

27. Defendant **FERRER** transacted business on behalf of **CCAI** in Broward County, Florida and elsewhere during the relevant period.

28. Defendant **FERRER** was a member of **CCAI’s** board and President of **CCAI** from at least on or about 2010 through 2015.

29. During this period, Defendant **FERRER**, whether acting alone or in concert with others, controlled, had the authority to control, and/or directly participated in **CCAI’s** acts and practices alleged herein.

30. Also during this period, Defendant **FERRER** personally received funds or financial benefits from **CCAI**.

31. Defendant **FERRER** knew or should have known about **CCAI’s** acts and practices during this period.

32. Defendant LINDSEY NOVINICH (“**NOVINICH**”) is an adult female over the age of twenty-one and is *sui juris*. Upon information and belief, Defendant **NOVINICH** is not in the military service and currently resides in Deltona, Volusia, County Florida.

33. Defendant **NOVINICH** transacts or has transacted business on behalf of **CCAI** which is located in Broward County, Florida and elsewhere at all times material hereto.

34. Defendant **NOVINICH** has been a member of **CCAI’s** board since at least on or about 2015.

35. During this period, Defendant **NOVINICH**, whether acting alone or in concert with others, controlled, had the authority to control, and/or directly participated in **CCAI's** acts and practices alleged herein.

36. Defendant **NOVINICH** knew or should have known about **CCAI's** acts and practices during this period.

37. Defendant CAROL REICH ("**REICH**") is an adult female over the age of twenty-one and is *sui juris*. Upon information and belief, Defendant **REICH** is not in the military service and currently resides in Coloma, Wisconsin.

38. Defendant **REICH** transacted business on behalf of **CCAI** which is located in Broward County, Florida and elsewhere during the relevant period.

39. Defendant **REICH** has been a member of **CCAI's** board of **CCAI** since at least on or about 2015.

40. During this period, Defendant **REICH**, whether acting alone or in concert with others, controlled, had the authority to control, and/or directly participated in **CCAI's** acts and practices alleged herein.

41. Defendant **REICH** knew or should have known about **CCAI's** acts and practices during this period.

42. Defendant BRUCE RINNEY ("**RINNEY**"), is an adult male over the age of twenty-one and is *sui juris*. Upon information and belief, Defendant **RINNEY** is not in the military service and currently resides in Owensboro, Kentucky.

43. Defendant **RINNEY** transacts or has transacted business on behalf of **CCAI** which is located in Broward County, Florida and elsewhere at all times material hereto.

44. Defendant **RINNEY** has been a member of **CCAI's** board and a director of **CCAI** since at least on or about 2013.

45. During this period, Defendant **RINNEY**, whether acting alone or in concert with others, controlled, had the authority to control, and/or directly participated in **CCAI's** acts and practices alleged herein.

46. Defendant **RINNEY** knew or should have known about **CCAI's** acts and practices during this period.

47. Defendant **KERRY SHARON** ("**SHARON**"), is an adult female over the age of twenty-one and is *sui juris*. Upon information and belief, Defendant **SHARON** is not in the military service and currently resides in Pompano Beach, Broward County, Florida.

48. Defendant **SHARON** transacts or has transacted business on behalf of **CCAI** in Broward County, Florida and elsewhere at all times material hereto.

49. Defendant **SHARON**, has been a member of **CCAI's** board and President since at least on or about 2015.

50. During this period, Defendant **SHARON**, whether acting alone or in concert with others, controlled, had the authority to control, and/or directly participated in **CCAI's** acts and practices alleged herein.

51. Also during this period, Defendant **SHARON** personally received funds or financial benefits from **CCAI**.

52. Defendant **SHARON** knew or should have known about **CCAI's** acts and practices during this period.

53. Defendant JOHN THOMAS (“**THOMAS**”), is an adult male over the age of twenty-one and is *sui juris*. Upon information and belief, Defendant **THOMAS** is not in the military service and currently resides in Owensboro, Kentucky.

54. Defendant **THOMAS** transacts or has transacted business on behalf of **CCAI** which is located in Broward County, Florida and elsewhere at all times material hereto.

55. Defendant **THOMAS**, has been a member of **CCAI’s** board and Chief Financial Officer since at least on or about 2015.

56. During this period, Defendant **THOMAS**, whether acting alone or in concert with others, controlled, had the authority to control, and/or directly participated in **CCAI’s** acts and practices alleged herein.

57. Also during this period, Defendant **THOMAS** personally received funds or financial benefits from **CCAI**.

58. Defendant **THOMAS** knew or should have known about **CCAI’s** acts and practices during this period.

CCAI’s ACTS AND PRACTICES

CCAI’s Operations

59. Defendant **CCAI** represents to potential donors that it is a charitable organization that operates projects which “support partner agencies that offer humanitarian care and compassionate services, and those partner agencies that promote health and safety programs most needed in the community.”

60. Defendant **CCAI** does not raise funds in its own name. Instead, **CCAI** solicits funds through several fictitious names it has registered with the State of Florida, including, *inter alia*, Breast Cancer Research Support Fund (“BCRSF”), US Firefighters Association (“USFA”),

and U.S. Volunteer Firefighter Association (“USVFA”). **CCAI** represents that these fictitious names are “projects” that purportedly use donors’ contributions to support breast cancer research entities, as well as organizations that aid breast cancer victims, the victims of fires, and firefighters.

61. **CCAI** maintains and uses multiple bank accounts in each of these fictitious names and commingles funds in these accounts, despite the very distinct purposes of the projects.

62. Defendant **CCAI**’s operations are almost exclusively conducted by third-party for-profit vendors.

63. For example, Defendant **CCAI** contracts with a third-party for-profit company that performs **CCAI**’s fundraising activities in the name of **CCAI**’s fictitious entities.

64. Also included among the third-party vendors paid by **CCAI** are organizations that, for a fee, coordinate the delivery of non-cash contributions, such as expired medicines and blankets, on behalf of **CCAI** to organizations recommended by the vendors.

65. **CCAI** also contracts with a management company which putatively manages **CCAI**’s operations for up to hundreds of thousands of dollars each year.

66. Other for-profit vendors include, *inter alia*, entities that answer phone calls placed to **CCAI**, accept **CCAI**’s mail, and develop and maintain **CCAI**’s websites.

67. **CCAI**’s activities consist of soliciting funds and goods through its fictitious names, and purportedly donating those funds and goods to organizations that engage in charitable activities putatively related to **CCAI** projects’ respective missions.

68. Although **CCAI** does not maintain a physical office, undertake research, perform direct aid, or employ staff (although it does compensate some of its board members), **CCAI**’s operational costs during the relevant period were approximately ninety-eight percent (98%) of

the more than Forty-Three Million Dollars in total contributions received during the relevant period. In 2013, those costs were approximately 99.995% of the total cash contributions CCAI received.

69. Accordingly, once CCAI pays its professional fundraisers, management company, other vendors, and additional operational costs, less than Two Cents (\$0.02) of each dollar contributed to CCAI was donated for charitable activities during the relevant period.

70. Almost half of CCAI's reported contributions and donations consist of goods that were contributed free of charge to CCAI (referred to herein as "gifts in-kind"). These gifts in-kind bolster CCAI's rate of charitable spending. Accordingly, when charity watchdog groups and regulators review and summarize charitable organizations' 990s to inform the public, CCAI appears to be larger and more charitable than it is in reality. For example, when these gifts in-kind are not included in CCAI's contribution and donation amounts, the actual dollars contributed to CCAI that were donated for charitable activities during there relevant period were only approximately two percent (2%). When the value of the free gifts in-kind are included, the percentage of contributions dedicated to charitable activities jumps to almost half of all contributions (*see, Image B*).

CCAI's Expenses

Expenses as a Percentage of CCAI's FY 2013-2016 Contributions

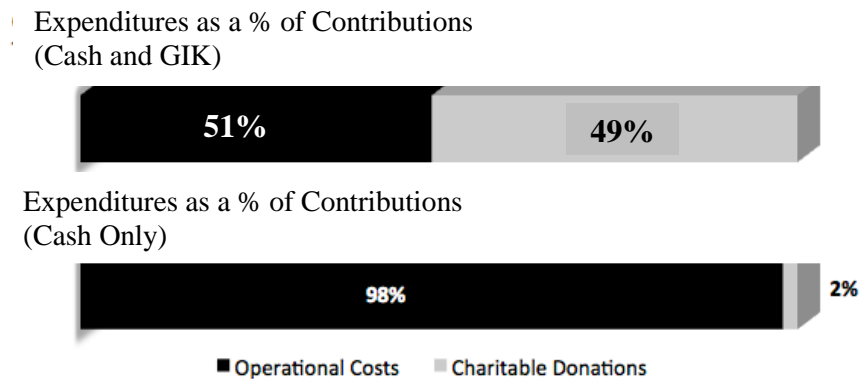


Image B.

71. The bulk of the in-kind goods contributed to **CCAI** are expired medicines which **CCAI** donates to entities in Central America and the Caribbean (which, unlike organizations in the United States, can use the expired medicines).

72. During the relevant period, **CCAI** has reported the dollar value of the in-kind contributions and donations of expired medicines as more than Twenty Million Dollars (\$20,000,000.00), which is the amount the medicines would be sold for in the United States if the medicines were *not* expired.

73. In shipping documents and customs claims forms, however, the value of these same goods has been reported as less than a Thousand Dollars (\$1,000.00).

74. Further, even though **CCAI's** gifts in-kind to entities in Central America and the Caribbean make up the bulk of its charitable activities, **CCAI's** fundraising telephone calls and mail solicitations make no mention of these activities.

75. Tax-exempt charities such as **CCAI** are required to file Internal Revenue Service's Form 990, Return of Organization Exempt from Income Tax ("990s"), to maintain their tax-exempt status.

76. In addition to filing its 990s with the IRS, **CCAI** is required to submit copies of the 990s to the Florida Department of Agriculture and Consumer Services ("DOACS").

77. **CCAI** also posts a portion of its 990s on its various websites.

78. During the relevant period, the 990s **CCAI** submitted to DOACS contained financial information that was different from the financial information on **CCAI's** 990s posted on **CCAI's** websites.

79. Additionally, **CCAI's** 990s, which are provided to DOACS and the public, contain false or inaccurate information. For example, in 2015, **CCAI** reported that it donated

almost \$400,000 “in cash donations to universities and hospital to benefit cancer research and treatment.” CCAI’s bank records reflect the real number was approximately a quarter of that amount. In fact, during the past four years, CCAI’s total cash donations for such purposes did not amount to \$400,000.

CCAI’S PURPORTED PROJECTS

80. CCAI expressly represents to the public that it operates charitable projects, trust funds, and grants that support breast cancer research entities and aid breast cancer victims, and the victims of fires.

81. Additionally, CCAI expressly claims that contributions will be used to provide financial aid to assist the families of fallen firefighters and to educate the public about fire safety.

82. As set forth in greater detail below, these representations are false and/or misleading.

CCAI’s Fire Aid Projects

83. CCAI’s solicitations for funds in support of its fictitious names USFA and USVFA (collectively, “Fire Aid Projects” or “Projects”) include representations that donors’ contributions will be used, *inter alia*, to:

- a. support those suffering hardship of fire loss by “supplying things such as clothing, bedding and furniture, anything to help *victims* get back to living a life without the pain of fire damage,” as well as “food, nutritional products, and shoes, and building materials”;
- b. establish a trust fund “to assist families of firefighters that have died while in the line of duty”; and,
- c. educate the public about fire and safety hazards.

84. During the past three years, upon information and belief, **CCAI** did not make a single cash donation to any charitable organization that provided aid to the families of firefighters who have died or to fire departments.

85. Along these same lines, during the past three years **CCAI** has not funded a “trust fund” to assist families of firefighters who died while in the line of duty,” nor has **CCAI**, upon information and belief, donated bedding, furniture, food, nutritional products, shoes, or building materials to organizations providing support to fire victims or firefighters.

86. Instead, donors’ generous contributions to these projects have been primarily used to pay for-profit vendors and **CCAI**’s board members. In fact, the Fire Aid Projects’ payments to vendors and board members exceed the contributions raised by the Projects. To offset the Fire Aid Projects’ deficits, **CCAI** has transferred funds which donors contributed to support breast cancer research and victims to its Fire Aid Projects.

87. The Fire Aid Projects receive free goods which they subsequently donate to other organizations. **CCAI** reports the fair market value of these gifts in-kind as both a contribution and a charitable expense.

88. The only funds the Fire Aid Projects actually spent on charitable activities during the past three years were the costs associated with shipping these goods (tens of thousands of dollars). During this same period, these Fire Aid Projects raised more than three and a half million dollars and **CCAI** transferred at least another two million dollars of BCRSF donations to the Fire Aid Projects.

89. Contrary to **CCAI**’s representations, its Fire Aid Projects are not in fact projects. With respect to these projects, **CCAI** has not established any measurable program goals, set no criteria for identifying organizations that engage in activities consistent with these projects’

missions, and does not track or monitor how recipient organizations use donors' contributions to ensure the donations are being used efficiently and in a manner consistent with these projects' missions.

90. As previously discussed, the vendors that secure the gifts-in-kind donations also direct the donations to recipients of their choosing.

CCAI's Breast Cancer Research and Support Project

91. **CCAI's** solicitations for funds in support of its BCRSF project include representations that it provides funding for breast cancer research, educational information, treatment supplies, and support to breast cancer patients and survivors.

92. Contrary to these representations, **CCAI** has not always used donors' funds as promised. In addition to diverting millions of dollars in BCRSF contributions for payments to third-party vendors connected with the Fire Aid Projects, **CCAI** has also used BCRSF funds to sponsor a golf tournament benefitting an organization that assists individuals with developmental disabilities, and transferred funds to a recently created organization connected to Defendant Sharon.

93. Despite the fact that **CCAI** does not operate any programs, **CCAI** deceptively creates an impression of legitimacy by falsely representing that it is "program partners" with bona fide and reputable charities. In reality, these bona fide charities have never collaborated with **CCAI** on any program. The bona fide charities identified as **CCAI's** "program partners," in most instances, have merely received a one-time contribution at some point during the seven-year period **CCAI** has been operating. Further, and not surprisingly given that these purported program partners do not in fact partner with **CCAI**, these bona fide organizations have never

given **CCAI** written permission to represent that these organizations were **CCAI's** "program partners."

94. Additionally, Defendant **CCAI** represents that the *de minimis* funds provided to charitable organizations are "grants," and thus directly, indirectly, or through implication represents that **CCAI** operates a grant program. Grant programs typically entail the submission of funding proposals from entities seeking to receive funds. Further, grant programs generally select recipients based on recipients' ability to fulfill articulated goals or outcomes, and monitor recipients' progress and effectiveness in achieving these goals or outcomes.

95. In reality, **CCAI** does not operate a grant program. **CCAI's** procedure for identifying which organizations it will support does not require recipients to submit grant applications and involves little to no evaluation by **CCAI**. Similar to its Fire Aid Projects, **CCAI** has not established any measurable program goals, and has not set criteria for identifying organizations that engage activities consistent with this project's mission.

96. In fact, **CCAI** selects beneficiaries based on information obtained from the Forbes Magazine website or at the direction of at least one of its for-profit vendors.

97. Moreover, **CCAI** does not monitor or track how the *de minimis* amount of donations it provides to charitable organizations are used to ensure that donors' generous contributions are being used efficiently and in a manner consistent with the BCRSF project's mission.

CCAI'S BOARD

98. The **INDIVIDUAL DEFENDANTS**, at various times during the relevant period, were members of **CCAI's** board and, as such, had the authority to control **CCAI's** acts and practices.

99. These **INDIVIDUAL DEFENDANTS** have completely failed to exercise their authority to control **CCAI**, both abdicating their responsibilities to not-for-profit entities and failing to undertake the basic acts and practices expected of a not-for-profit board and act in the best interest of the charity.

100. **CCAI** is not operated with any of the financial and governance controls that are employed by bona fide charities.

101. For example, **CCAI** has no prerequisites for candidates to become board members and does not review paid board members' performance.

102. As a result, most - if not all - of the individual board members have had little or no experience with activities related to **CCAI's** mission or in nonprofit management, and therefore lack the qualifications required for oversight of the multimillion-dollar charity.

103. Despite this lack of experience, **CCAI** falsely represents that its board members "are experts at finding and supplying aid to those they believe deserve it."

104. **CCAI's** board members have repeatedly renewed vendor contracts with little to no evaluation of the vendors' performance.

105. Similarly, **CCAI's** board members do not monitor or evaluate the outcomes or performance of the few charitable organizations that actually receive the *de minimis* funds donated by **CCAI**.

106. Further, despite being well aware that **CCAI** expressly represents to the public that it that operates programs, projects, trust funds, and grants, **CCAI's** board members have knowingly and willfully ratified and/or otherwise permitted **CCAI** to implement budgets during the relevant period, which as set forth above, provide negligible resources to charitable purposes,

do not include charitable projects, trust funds, and grants, and fail to provide financial assistance to the families of fallen firefighters.

107. These budgets also include improper commingling of funds between **CCAI** projects, as well as donations for purposes quite different from the charitable purposes represented in **CCAI's** solicitations which are used to secure contributions from generous donors.

108. Similarly, for each fiscal year during the relevant period, **CCAI's** board members have knowingly and willfully approved and/or permitted board member compensation and raises with little to no evaluation of the board members' performance.

109. Moreover, as the **INDIVIDUAL DEFENDANTS** knew or should have known, decisions as to which organizations will receive **CCAI's de minimis** contributions are made at the direction of a for-profit vendor, or based on information a board member obtained from the Forbes Magazine website and not as part of a grant program, as well as **CCAI's** other acts and practices described herein.

110. During her time as President, Defendant **SHARON** has been responsible for the content on **CCAI's** websites and had full knowledge that the bona fide charities represented as "program partners" did not in fact partner with **CCAI** and that **CCAI** did not operate any programs or grant programs.

111. The **INDIVIDUAL DEFENDANTS** knew or should have known about **CCAI's** acts and practices, including *inter alia* its misrepresentations and/or false statements pertaining to **CCAI's** nature, scope and purpose made to regulators, the public, or both, and directly participated, controlled, or had the authority to control **CCAI's** acts and practices alleged herein.

PUBLIC HARM

112. As a result of **CCAI's** deceptive acts and practices alleged herein, generous donors believed their money was supporting programs, projects, trust funds, and grants that would be used to support breast cancer research entities and aid breast cancer victims, and provide aid or financial assistance to the victims of fires and firefighters. As set forth above, such was not the case.

113. As a result of **THE DEFENDANTS'** FDUTPA violations, these generous donors were misled into contributing to **CCAI** instead of the many legitimate charitable organizations operating bona fide programs that support breast cancer research, breast cancer and fire victims, as well as firefighters.

114. Upon information and belief, included among the donors harmed by **THE DEFENDANTS'** deceptive acts and practices alleged herein are senior citizens, persons with disabilities, and/or military-service members (and the spouse or dependent child of such a military service member), as those terms are defined within Sections 501.2075 and 501.2077, Florida Statutes.

CCAI's FDUTPA VIOLATIONS

FDUPTA

115. FDUTPA provides, *inter alia*, that "...deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful." Section 501.204(1), Fla. Stat.

116. Additionally, violations of "... any law, [or] statute, ... which proscribes ... deceptive ... acts or practices" constitute FDUTPA violations. Section 501.203(3), Fla. Stat.

117. When construing whether acts or practices violate FDUTPA, it is the intent of the Legislature that "due consideration and great weight shall be given to the interpretations [by] the

Federal Trade Commission and the federal courts relating to the ... Federal Trade Commission Act.” Section 501.204(2), Fla. Stat.

118. Additionally, all FDUTPA provisions are to be “construed liberally” to promote the protection of the “consuming public and legitimate business enterprises from those who engage in ... deceptive, or unfair acts or practices in the conduct of any trade or commerce” and “to make state consumer protection and enforcement consistent with established policies of federal law relating to consumer protection.” Section 501.202, Fla. Stat.

COUNT I

CCAI’s DECEPTIVE REPRESENTATIONS IN VIOLATION OF FDUTPA

119. Plaintiff adopts, incorporates, and re-alleges Paragraphs 1-118 as if fully set forth herein.

120. In numerous instances, in connection with the solicitation of charitable contributions from donors, Defendant **CCAI**, directly or indirectly, expressly or by implication, made false or misleading representations about the nature, purpose and scope of **CCAI’s** activities.

121. As described *supra*, despite **CCAI’s** representations to the contrary, the *de minimis* amount of donors’ contributions that were donated for charitable purposes have not always been provided to charitable organizations that engaged in breast cancer research, or provided support for breast cancer victims, the victims of fires, or firefighters.

122. Additionally, **CCAI** directly, indirectly, or by implication falsely represented that it operated projects, and/or grants when such representations were not true.

123. Moreover, in 2014, 2015, and 2016, **CCAI** directly, indirectly, or by implication falsely represented that it would provide financial support to the families of firefighters who had

passed away when, in fact, CCAI did not provide a single penny of financial support for these purposes.

124. CCAI also directly, indirectly, or by implication falsely represented that it is “program partners” with bona fide charities.

125. Finally, CCAI made express and misleading representations pertaining to the qualifications and skills of its board members.

126. These representations are false or misleading and constitute deceptive practices in violation of FDUTPA.

COUNT II

CCAI’s VIOLATION OF THE SOLICITATION OF CONTRIBUTIONS ACT, SECTIONS 496.401- 424, FLORIDA STATUTES (CONSTITUTING A *PER SE* FDUTPA VIOLATION)

127. Plaintiff adopts, incorporates, and re-alleges herein Paragraphs 1- 118 as if fully set forth herein.

Violations of the Solicitation of Contributions Act Constitute Per Se FDUTPA Violations

128. The Solicitation of Contributions Act “protect[s] the public by requiring full public disclosure ... of the purposes for which such contributions are solicited and the manner in which the contributions are actually used. It is further the intent of the Legislature to prohibit deception, fraud, and misrepresentation in the solicitation and reporting of contributions.” Section 496.401, Fla. Stat.

129. Section 496.416, Florida Statutes, prescribes that a violation of any provisions of the Florida Solicitation of Contributions Act is an unfair or deceptive act or practice in violation of FDUTPA and is subject to the penalties and remedies provided for such violations.

130. Accordingly, pursuant to Sections 496.416 and 501.203(3), Florida Statutes (*see*, Paragraph 107), a violation of the Florida Solicitation of Contributions Act constitutes a *per se* FDUTPA violation.

CCAI's Violations of the Solicitation of Contributions Act

CCAI Did Not Spend Funds as Set Forth in its Solicitations

131. Section 496.415(16), Florida Statutes, provides in pertinent part, that “[i]t is unlawful for any person in connection with the planning, conduct, or execution of any solicitation or charitable or sponsor sales promotion to fail to apply contributions in a manner substantially consistent with the solicitation.”

132. As set forth *supra*, Defendant **CCAI**'s solicitations contain representations that donations will be used to fund breast cancer research and to provide support for breast cancer victims, victims of fires, or firefighters.

133. In reality, **CCAI** has not always used donors' contributions for these purposes.

134. For example, in some years, **CCAI** did not donate funds to assist the families of deceased firefighters.

135. Similarly, contrary to **CCAI**'s solicitations, the *de minimis* charitable contributions **CCAI** made were not always provided to entities that engaged in breast cancer research or support for breast cancer victims. Instead, **CCAI** provided funds donated to support organizations with missions that were wholly unrelated to these purposes.

136. Accordingly, Defendant **CCAI** has clearly failed to apply donors' generous contributions in a manner substantially consistent with its solicitations and, as a result, has violated the Florida Solicitation of Contributions Act. Such violations are *per se* FDUTPA violations.

CCAI Misrepresents its Relationship with Reputable Bona Fide Charities

137. Section 496.415(3), Florida Statutes, provides in pertinent part, that “[i]t is unlawful for any person in connection with the planning, conduct, or execution of any solicitation ... to make misrepresentations or misleading statements to the effect that any other person or organization sponsors or endorses such solicitation, approves of its purpose, or is connected therewith, when that person or organization has not given written consent to the use of its name.”

138. As set forth *supra*, despite Defendant **CCAI**'s representations to the contrary, the bona fide charities Defendant **CCAI** promotes as its “program partners” have not and do not collaborate with **CCAI** on any programs and, thus, have not provided written consent to **CCAI** to represent that **CCAI** maintains such a relationship with these bona fide charities.

139. **CCAI**'s express and false statements that it is “program partners” with the bona fide charities on its website, are direct representations that it is connected with these organizations, and thus implicitly conveys to the public that these entities endorse such solicitations and/or approve of **CCAI**'s purpose.

140. Moreover, **CCAI** has failed to obtain written consent from these bona fide charities to make such representations.

141. These acts and practices violate the Florida Solicitation of Contributions Act and constitute *per se* FDUTPA violations.

CCAI's Documents Contain False, Misleading or Inaccurate Information

142. Section 496.415(2), Florida Statutes, provides in pertinent part, that “[i]t is unlawful for any person, in connection with the planning, conduct, or execution of any solicitation or charitable or sponsor sales promotion to submit false, misleading, or inaccurate

information in a document that is filed with the department [DOACS] or provided to the public...”

143. During the relevant period, Defendant **CCAI** filed financial documents with DOACS and/or disseminated such documents to the public that included inaccurate information. For example, **CCAI** has falsely represented the amount of funds it donates for charitable purposes in its 990s, reporting amounts larger than the amounts actually donated for charitable purposes.

144. Additionally, Defendant **CCAI** submitted copies of 990s to DOACS that contained financial information that was different from the financial information on **CCAI's** 990s posted on its websites.

145. Finally, in some instances during the relevant period, **CCAI** failed to indicate that a significant portion of its charitable donations provided to organization and entities in the Caribbean and Central America were foreign contributions.

146. These acts and practices violate the Florida Solicitation of Contributions Act and constitute *per se* FDUTPA violations.

COUNT III

INDIVIDUAL DEFENDANTS' LIABILITY FOR CCAI's FDUTPA VIOLATIONS

147. Plaintiff adopts, incorporates, and re-alleges herein Paragraphs 1-118 as if fully set forth herein.

148. Once a corporation's liability for violations of FDUTPA is established, individual defendants may be liable for (1) injunctive relief for the corporate defendants' practices if the individual defendants participated directly in the practices or acts or had authority to control them, and (2) monetary relief if the individual also had some knowledge of the practices. *See,*

e.g., State, *Office of Atty. Gen., Dept. of Legal Affairs v. Wyndham Int'l, Inc.*, 869 So. 2d 592, 598 (Fla. 1st DCA 2004), and *F.T.C. v. Amy Travel Serv., Inc.*, 875 F.2d 564, 574 (7th Cir. 1989).

149. As set forth *supra*, each of the **INDIVIDUAL DEFENDANTS** had the authority to control, controlled, or directly participated in Defendant **CCAI's** acts and practices.

150. At a minimum, the **INDIVIDUAL DEFENDANTS** have failed to exercise ordinary care in their control of **CCAI's** acts and practices

151. Further, each of the **INDIVIDUAL DEFENDANTS** knew or should have known about some or all of **CCAI's** acts and practices alleged herein.

152. Accordingly, each of the **INDIVIDUAL DEFENDANTS** is liable for Defendant **CCAI's** FDUTPA violations.

PRAYER FOR RELIEF

WHEREFORE, the Attorney General requests that this Honorable Court:

A. ENTER judgment in favor of Plaintiff and against **THE DEFENDANTS** for each Count alleged in this Complaint;

B. AWARD Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to temporary and preliminary injunctions, and an order providing for the turnover of business records, an asset freeze, immediate access and the appointment of a receiver, and the disruption of domain and telephone services;

C. ORDER the dissolution of **CCAI**;

D. ORDER the appointment of a receiver, pursuant to Section 501.207, Florida Statutes, to dissolve **CCAI**;

E. Permanently ENJOIN **THE DEFENDANTS**, their officers, agents, servants, employees, and those persons in active concert or participation with **THE DEFENDANTS** who receive actual notice of such an injunction, from engaging in any charitable activities for financial gain or monetary benefit;

F. AWARD equitable restitution or disgorgement of ill-gotten gains against **THE DEFENDANTS**, jointly and severally, pursuant to Section 501.207, Florida Statutes;

G. ASSESS civil penalties against **THE DEFENDANTS**, jointly and severally, in the amount of Ten Thousand Dollars (\$10,000.00) as prescribed by Section 501.2075, Florida Statutes, or enhanced civil penalties of Fifteen Thousand Dollars (\$15,000.00) for each victimized senior citizen, person with a disability, military service member or the spouse or dependent child of a military service member as prescribed by Section 501.2077, Florida Statutes, for each act or practice found to be in violation of FDUTPA;

H. AWARD attorney's fees and costs against **THE DEFENDANTS**, jointly and severally, pursuant to Section 501.2075, Florida Statutes, or as otherwise authorized by law;

I. AWARD such equitable or other relief against **THE DEFENDANTS** as is just and appropriate pursuant to FDUTPA; and,

J. GRANT such other legal or equitable relief as this Honorable Court deems just and proper.

Dated December 18, 2017.

Respectfully Submitted,

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Attorney General of the State of Florida

/s/ Kristen Pesicek

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